

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL DISTRICT
INGHAM COUNTY

LINDA A. WATTERS, COMMISSIONER,
OFFICE OF FINANCIAL AND INSURANCE
SERVICES FOR THE STATE OF MICHIGAN,

Petitioner,

v

File No. 98-88265-CR
Hon. James R. Giddings

MICHIGAN HEALTH MAINTENANCE
ORGANIZATION PLANS, INC., a
Michigan health maintenance organization,
doing business as OmniCare Health Plan,

Respondent.

MARK J. ZAUSMER (P 31721)
AMY M. SITNER (P 46900)
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ORDER APPROVING
THE LIQUIDATOR'S CLAIM DETERMINATIONS AND ALLOWING
DISBURSEMENT OF FUNDS TO PAY CLAIMS

At a session of said Court, held in the Courtroom
thereof, in the City of Lansing, County of
Ingham, State of Michigan, this

November 30, 2006

PRESENT: HON. _____
CIRCUIT COURT JUDGE

This matter having come before the Court on the Liquidator's Petition for an Order
Approving the Liquidator's Claim Determinations and Allowing Disbursement of Funds to

Pay Claims (the "Liquidator's Petition"), oral argument having been heard, and the Court being otherwise fully advised in the premises;

IT IS HEREBY ORDERED that the Liquidator's Petition is GRANTED.

IT IS FURTHER ORDERED that the Liquidator's claim recommendations as set forth in the Liquidator's Petition and in Exhibits E through J thereto are approved.

IT IS FURTHER ORDERED that the Liquidator is authorized to disburse assets from the Estate of Michigan Health Maintenance Organization Plans, Inc. ("MHMO"), as described in the Liquidator's Petition, in the total amount of \$14,721,176.83.

IT IS FURTHER ORDERED that, until further order of this Court, MHMO shall retain records to permit adjudication of unpaid claims and distribution of any additional assets that may become available for distribution in the future.

IT IS FURTHER ORDERED that each medical provider creditor listed in Exhibit K to the Liquidator's Petition is subject to a one percent (1%) assessment for credit refund balances written off for the period from October 1, 2003, through September 30, 2004, as well as future credit balances that will be realized as a result of resolving benefit coverage for members.

IT IS FURTHER ORDERED that the Liquidator may impose a Fifty Dollar (\$50) fine on all claimants who fail to provide a complete, accurate form W-9 for 2006, in anticipation of Internal Revenue Service ("IRS") penalties that will be incurred by MHMO for submitting incorrect tax identification data to the IRS for 2006.

IT IS FURTHER ORDERED that the Liquidator may delay payment of the providers listed in Exhibit M to the Liquidator's Petition pending further investigation of correct address information.

IT IS FURTHER ORDERED that during the process of finalizing payments to claimants, the Liquidator may re-review certain claim elements to verify that the Estate is not double-paying any claim. To the extent the Liquidator identifies such duplicate claims during the process of finalizing claim payments, the Liquidator shall reduce the payment to the relevant provider by the amount of the duplicate claim. The Liquidator shall specifically inform the relevant provider of the reduction, including the member name, date of service and service provided as well as identifying information for the claim that is being paid. Any dispute arising from an adjustment of this type may be facilitated under the procedure set forth in the Claims Procedure Order attached as Exhibit D to the Liquidator's Petition. Any such matter that is not resolved through facilitation shall be scheduled for a settlement/scheduling conference with this Court, which will, if necessary, set an appropriate schedule for resolving the matter.

IT IS FURTHER ORDERED that this Order shall have no effect on the claims filed by the Provider Creditors Committee in Ingham County Circuit Court, Case No. 05-127CKC30, consolidated with this matter.

JAMES R. GIDDINGS

CIRCUIT COURT JUDGE